

## **EMPLOYEE HANDOUT FACT SHEET FOR REEMPLOYED ANNUITANTS**

This fact sheet is for you if you have retired from Federal service under the Civil Service Retirement System OR the Federal Employees Retirement System and will be reemployed in the Federal service. If you have questions not addressed below, the servicing personnel office where you are reemployed will be able to answer them.

**Annuity Upon Reemployment:** Depending upon the reason for your retirement and the type of appointment you receive when you are reemployed, your annuity during your period of reemployment may (1) continue, (2) terminate or (3) be suspended. See attached chart for additional information.

**Salary Upon Reemployment:** If your annuity continues after you are reemployed (see attached chart), your salary will be reduced by the amount of your annuity. If your service as a reemployed annuitant is part-time, the reduction in your salary is prorated based on your earnings. For example, if you come back to work 20 hours a week, your salary will be reduced by one-half of your annuity since your tour of duty is one-half a full-time tour of duty.

**Status Upon Reemployment:** When you return to employment after your retirement, you return either as a reemployed annuitant or as an employee (see attached chart). If you return as a reemployed annuitant, you serve at the will of the agency.

**Annual Leave:** When you retired, you received a lump sum payment on your unused annual leave. The lump sum covers the period you would have been on annual leave if you had used it. If you return to Federal service before this period expires, you must pay a refund for the unused leave. The refunded leave will be returned to your annual leave account, except for the excess that you cannot carry into a new leave year. This excess leave must also be paid for and then forfeited. Thus, if you retired close to or at the end of a leave year with an annual leave balance of more than 240 hours, you may want to delay returning to Federal service until after the period covered by excess leave.

If you were reemployed immediately after you retired, you should not have received the lump sum payment on your remaining annual leave. Instead, your annual leave balance at retirement will be carried into your reemployment service as if you had not been separated for retirement.

You will earn leave at the rate in effect for the amount of your Federal service (6 hours per 80-hour pay period if your service is between 3 and 15 years, and 8 hours per 80-hour pay period for service over 15 years). Accrual of annual leave is prorated for part-time service.

**Sick Leave:** As a reemployed annuitant, you will earn sick leave at the same rate you did as an employee, i.e., four hours for an 80-hour pay period (prorated if you are working part-time).

If you retired under the Civil Service Retirement System, any sick leave you had when you retired was transferred to your retirement system, and used to increase your length of service for annuity computation purposes. It will not, therefore, be reccredited to you as a reemployed annuitant. You will start your period of reemployment service with a zero balance of unused sick leave.

If you retired under the Federal Employees Retirement System, sick leave that you earned as a FERS employee was not used to increase your length of service for annuity computation purposes, and is therefore available to be reccredited to you as a reemployed annuitant.

If you retired under the Federal Employees Retirement System, but had part of your annuity computed under the Civil Service Retirement System's rules, your servicing personnel office will determine if any of your sick leave is available to be reccredited to you as a reemployed annuitant.

**Health Benefits Coverage:** If your annuity continues during your period of reemployment and you carry health benefits coverage as a retiree, your health benefits coverage will continue to be withheld from your retirement annuity.

**Life Insurance Coverage:** If as a retired employee you are reemployed under conditions that do not terminate your annuity (see attached chart), you will keep your life insurance coverage as an annuitant. However, if your reemployment gives you new life insurance rights, you acquire new coverage as an employee, and your coverage as an annuitant is suspended during the period of your reemployment, except for your additional optional coverage (see below).

Service that does not provide new insurance rights includes appointments of one year or less and intermittent appointments, **UNLESS** your reemployment follows a break in service of fewer than four days following retirement.

If you were eligible for continued additional optional insurance as a retiree, you may elect, within 31 days of reemployment, to suspend your additional optional insurance coverage as an annuitant and acquire the same as an employee. The amount of coverage and the deductions are based on the full pay for your position as a reemployed annuitant.

If it has been more than 180 days since you retired, you may cancel any previous declinations or waivers of coverage(s). If you file a waiver of life insurance coverage when you are reemployed, the waiver will cancel your coverage both during reemployment and retirement. In other words, if you wish to continue your life insurance coverage in retirement, you should not waive new insurance coverage acquired during reemployment

Upon separation after reemployment, you may continue your reemployment-acquired insurance into retirement only if you meet the following conditions:

- (1) qualify for a supplemental annuity (see Annuity When Your Reemployment Ends below):
- (2) otherwise meet the eligibility requirements for continuing life insurance coverage in retirement; and
- (3) elect to do so

Otherwise, your suspended coverage is reinstated and withholdings, if applicable (such as premiums for a lesser reduction or no reduction after age 65), are resumed.

If you die during your reemployment, your heirs will be paid your new life insurance coverage OR your coverage as a retiree, whichever is higher.

**Thrift Savings Plan:** If you are reemployed in the Federal service after a break in service of 30 days or less, your TSP contributions will continue at the same rate as during your employment. If you are reemployed in the Federal service after a break in service of more than 30 days, you may elect to participate during the first open season following your reemployment.

**Retirement Contributions During Reemployment:** If you retired under the Civil Service Retirement System and are reemployed in a position not excluded from retirement coverage, you may elect to have contributions withheld from your salary. The contributions are based on the full pay for your position, before the annuity reduction (see Salary Upon Reemployment). It is to your benefit to have contributions withheld if you will work the equivalent of at least one year of full-time service and thus qualify for a supplemental annuity (see below).

If you retired under the Federal Employees Retirement System and are reemployed in a position not excluded from retirement coverage, you must have contributions withheld from your salary.

When your reemployment service ends and you are not eligible for a supplemental or recomputed annuity (see Annuity When Your Reemployment Ends below), you may apply to OPM for a refund of the retirement contributions you made during your reemployment.

**Opportunity for CSRS Retirees to Transfer to FERS:** If you are a CSRS retiree, you may within 180 days after your reemployment, elect to transfer to FERS. If you choose to transfer to FERS, you may elect to participate in the Thrift Savings Plan within 30 days of your transfer and may contribute up to 10 percent of your base salary (before it is reduced). Automatic agency contributions equal to 1 percent of your salary begin when you elect to transfer to FERS.

**Annuity When Your Reemployment Ends:** If your annuity continued during reemployment and you work at least one year full-time, you will be eligible for additional benefits upon separation from your reemployment service. You must have paid a deposit for this service, either through salary deductions (automatically withheld for FERS reemployed annuitants and voluntarily withheld for CSRS reemployed annuitants, see above) or in a lump-sum payment after separation (OPM will bill you).

If you are reemployed full-time for at least one year or part-time for service equivalent to at least one full year, you may be eligible for a supplemental annuity. A supplemental annuity will be computed by using your additional service and the average salary for that service to compute an additional benefit due you. If you are a CSRS employee and your original retirement was based on at least ten years of service, your supplemental annuity will generally be 2 percent of your average salary for each full year of supplemental service. If you are a FERS employee, your supplemental annuity will generally be 1 percent or 1.1 percent of your average salary for each full year of creditable reemployment service.

If you are reemployed for at least five years of full-time service or the part-time equivalent, you will be eligible for a recomputed annuity. In this case, OPM will recompute your entire annuity, using your new average salary and combined length of service for your new benefit.

***Life Insurance Coverage for Reemployed Annuitants  
(When the annuity continues)***

<b>Type of Insurance or Option carried</b>	<b>What happens during Reemployment</b>	<b>What happens after separation from Reemployment</b>
1. Basic	Carried as an employee; premium deducted from salary.*	If eligible for supplemental annuity, can choose between originally-acquired or reemployment-acquired base amount. If not eligible for supplemental annuity, originally-acquired base is used.
2. Premium for post-retirement reduction	Premium suspended during reemployment.	Depends on basic amount chosen. If originally-acquired base is used must use originally chosen reduction. If reemployment-acquired base is chose, can make new election. Can change from no reduction or 50% reduction to 75% reduction at any time.
3. Standard optional** (\$10,000)	Carried as an employee; premium deducted from salary	Premium deducted from annuity.
4. Additional optional**	Must choose ***, can be deducted from salary or annuity	Depends on base amount chosen. If originally-acquired base is chosen, must use multiples originally chosen.
5. Family optional**	Carried as employee; premium deducted from salary	Premium deducted from annuity.

- \* Your basic as an annuitant is suspended during your period of reemployment. However, if you die while reemployed, your heirs will receive the higher of the two insurance amounts, your insurance as an annuitant or your insurance as an employee
- \*\* Must carry basic life in order to elect standard optional, additional optional or family optional
- \*\*\* Reemployed annuitants over age 50 cannot elect a higher number of multiples than they previously continued into retirement